

A. M. DOUGLAS

ATTORNEY-AT-LAW

PANAMA CITY, FLORIDA

November 26th 1936.

Mrs. L. C. West,
Panama City, Fla.,
Dear Mrs. West:

CHARTER, Gulf Coast
Development Company.

I regret to say that ^{search} of the law regarding the status of the Gulf Coast Development Company discloses the necessity of reviving or re-incorporating the company. It is my opinion that the extension secured by Mr. West was only for the term of ten years, though the extension may be for a longer period. The general of law is expressed in Corpus Juris, (vol. 14A, p.1099)

"3. LIMITATION OF TERM. After the period of existence of a corporation has expired by force of express provisions in its charter-----it becomes ipso facto dissolved, and no longer has any existence at all, either de jure or de facto, for there is no law under which it can longer exist."

and seems to be conclusive. A citation under this paragraph emphasizes the above by saying of such limited charters,

"In their charter the days of their existence are numbered, and the very period of their dissolution fixed. If the charter be not extended, the very moment that period arrives, the corporation stands, not dormant, disabled, or incapable of action merely, but absolutely dissolved, civilly dead, without life or being, and altogether at an end."

I have sought the refuge of the Statute granting three years extension after the expiration of a charter in which to wind up the business of the corporation. This is Section 6571, Compiled General Laws of Florida, 1927. However I find that the added time is granted for the purpose of

'prosecuting and defending law suits by or against them, and of enabling them to gradually settle and close their business, to dispose of and convey their property and to divide their assets, but not for the purpose of continuing their business for which the corporation shall have been established.'

and it is doubtful whether the execution of a mortgage could be within the purpose mentioned. If you were borrowing funds for the corporation it might be so, but I understand that the loan is for yourself or the Publishing Company.

#2.

Since the question has been raised by legal talent, and doubt is expressed as to your ability as president of the corporation to dispose of any of its property it is not wise to publish the matter. I suggest that you quietly proceed to cure the defective corporate status before offering any of its property for sale or encumbering the same.

To accomplish this you should at once write to the Secretary of State of the State of South Dakota and

- a. Get a certified copy of the extension of charter.
(If it has not expired everything is O.K.)
- and, b. Ask for specific instruction as to getting a further extension.

and while I am in Tallahassee tomorrow I will look into the matter so that in case you can not secure further extension you can re-incorporate the company in this State.

Yours very truly,

A. M. Douglas